

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
MUD CREEK WATER DISTRICT) CASE NO. 9827

O R D E R

On December 29, 1986, Mud Creek Water District ("Mud Creek") filed its revised tariff sheet with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to KRS 278.015 and 807 KAR 5:068, Purchased Water Adjustment.

Mud Creek filed a copy of its water purchase contract with the City of Pikeville; however, the contract was unclear as to the effective date of the supplier's increase. On January 13, 1987, the Commission requested that a statement from the supplier be filed showing the effective date of the increase. The requested information was filed on January 19, 1987.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. Mud Creek's supplier, City of Pikeville, increased its rate for wholesale water from \$1.00 per 1,000 gallons for all water purchased to a monthly minimum of \$2,085 plus \$.85 per 1,000 gallons, effective September 1, 1986.

2. Mud Creek purchased 59,622,000 gallons of water during the 12-month period ending October 31, 1986, and sold 14,597,769 gallons.

3. Mud Creek's calculations are correct and show an increase in purchased water costs of \$16,077, resulting in a purchased water adjustment of \$1.10 per 1,000 gallons.

4. Mud Creek adjusted the rates to its customers effective December 15, 1986.

5. The tariff sheet filed by Mud Creek is incorrect in that it is not signed by the officer authorized to issue the tariff as required by 807 KAR 5:011, Section 4(4)(a). In addition, the final usage block is shown as "all usage over 2,0000" when it should be "All usage over 2,000".

IT IS THEREFORE ORDERED that:

1. The rates as adjusted by Mud Creek and shown in Appendix A be and they hereby are approved effective for services rendered on and after December 15, 1986.

2. Within 30 days of the date of this Order, Mud Creek shall file its revised tariff sheet setting out the rates approved herein and bearing the signature of the appropriate utility officer.

Done at Frankfort, Kentucky, this 27th day of January, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Verneer, Jr.
Chairman

[Signature]
Vice Chairman

Spencer H. Williams
Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9827 DATED 1/27/87

The following rates and charges are prescribed for the customers in the area served by Mud Creek Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>USAGE BLOCKS</u>	<u>MONTHLY RATE</u>
First 2,000 gallons	\$11.20 Minimum Bill
Over 2,000 gallons	4.10 per 1,000 gallons